

TEXINS ASSOCIATION CLUBS  
Board of Directors Meeting  
September 2, 2004

Present ( \*) Not Present):

<u>Directors</u>	<u>Staff</u>	<u>Other</u>
Alesia Carroll	Marcia Flowers (*)	
Carl Skooglund	Pam Blair	
Kim Smith (*)	Monica Arnoult	
Ron Tabor	Rebecca Cooper (*)	
Christine Marshall		
Ingrid Jenkins (*)		
Mike Mignardi		

**Agenda Items**

**Meeting Minutes Approval**

The August BOD meeting minutes as well as the July Annual Club meeting minutes were approved.

**Financial Update**

In our last report, it was noted that the Outdoor club had a negative balance. Due to the use of an old data file, this negative balance was discovered to be in error. The Outdoor club balance was recalculated for April, May and June and now shows a positive balance. For the month of July, the only club with a negative balance is the Golf club (-\$223). During the month of August, the Golf club made a deposit of >\$11k. All other clubs show a positive balance. The balance statement shows our total liabilities and equity is \$1.291M.

**Summary of Financial Audit**

A good deal of discussion centered on the depreciation of the well project for the Texoma club. First terminology:

- Capital: Money invested in a business by the owners.
- The Association's policy and procedures to define capital: expenditures >\$5k
- How the Association uses the word "Capital:" Any funds allotted annually to a club based on need as determined by the BOD.
- Capital depreciation: Cost is >\$5k and has a life or >5years.

The issue still involves how a club can depreciate a capital item that they don't own. The fear is that the clubs will think they have more money in their individual accounts than they really have. For the Texoma club well project, the club paid \$80k and the Association paid \$25k.

The "acid test" for capital:

- If a club folds, who owns the assets? In the past, if a club folded, all assets went to the association.

- For a 501c organization: The IRS indicates that if a 501c organization folds, then all assets need to be transferred to another 501c organization.

The auditor's suggestion is that we follow our policy – which unfortunately is vague in this area. Rather than discuss this further, the suggestion was made to consult with a tax specialist.

**Actions:**

1. Blair/Carroll: Contact our auditor for suggestions on tax specialists we can consult with regarding capital and depreciation.
2. BOD: Get our bylaws aligned with this depreciation issue (nothing exists in our bylaws indicating asset ownership). We need to change our policies and procedures to reflect the solution to this issue with a time line set of the end of this year.
3. Blair: Change the term “Capital” allocation to “Grant” allocation.

**Insurance Status**

The new automobile policy premium went from \$4000/year to \$500/year. Our current carrier will send us a refund check once they receive a policy declaration statement indicating a start date of 7/9/04.

Neil Kieran, the president of the Outdoor Club, also has experience as an insurance underwriter. Neil has been working with Pam and Ron to determine if our current insurance carrier properly rated us. There have been some logistic issues regarding that the underwriter typically does not talk with the insurance client. The BOD recognizes that regardless if Neil finds our rating to be favorable or unfavorable, our plans to switch to a new insurance carrier will not change.

Bob Moran, with the Flying club, indicates that his insurance carrier is interested in talking with us. Ron Tabor is also waiting to hear a response from a carrier name “Bollinger.” We need to solicit Neil’s help in selecting a new insurance carrier and policy. Then, once we have switched to a new carrier, the BOD wants to write a letter to the BBB regarding our current insurance carrier.

With regards to who our insurance covers, Carl reiterates that 99% of insurance coverage is for 3<sup>rd</sup> party individuals. Thus, we do not want a policy that covers our members.

**Actions:**

1. Blair/Tabor: Consider asking Neil to discontinue his efforts in trying to determine our current rating with our current insurance carrier.
2. Blair/Tabor: Continue efforts with Bob Moran and Bollinger.
3. Blair/Tabor: Get Neil Kieran involved with the selection of a new insurance carrier.
4. Blair/Tabor: Need closure on who our insurance policy will cover. Members and 3<sup>rd</sup> party or just 3<sup>rd</sup> party?

5. BOD: Provide better resolution regarding how club members are counted – especially for our insurance. This involves members vs. family members vs. guests.
6. BOD: Prepare to write a letter to the BBB regarding our current insurance carrier and how we were treated.

## **Old Business**

### **Archery and Outdoor Club Assets**

The lease for the Archery club has been updated. They are now able to move forward with their expansion. To date, we have no record of any assets for the Archery club. The BOD believes the assets were considered insignificant to document.

The climbing wall that the Outdoor club uses is estimated at \$2500 – 4000.

#### **Action:**

1. Blair/Carroll: Review what we have on record for Archery club assets and determine if they need to be accounted for.
2. Blair: Is the climbing wall for the Outdoor club on the books as an asset?

### **Spurious Freedom Club**

Pam indicates that this club now has 17 members. The concern Pam has with this club is how they will be funded in the future. Supposedly, their community relations money was a one time deal. Will they charge their members a fee?

The Jazz club does not assess dues to their members. They make money by performing and funnel all of that money back into the club to cover all operating expenses. Does the Spurious Freedom club plan to operate in a similar manner?

#### **Action:**

1. Blair: Continue to keep us posted on the funding of this club.

### **Badminton Club**

The plan is to request that the gym be repainted a blue color so the shuttlecocks are more visible. The color needs to be approved by the TI Facilities group. Chris Hull and Scott Dunn of HFC are working with this club. If painting occurs, it needs to be done off hours. This club knows that they will need to pay for the painting if everything is approved.

#### **Action:**

1. Carroll: Keep us posted on the approval process.

### **Bylaws Update**

#### **Action:**

1. Skooglund: Carl has agreed to take the first crack at working on the update to our bylaws.

### **Use of HFC Support for Marketing**

There appears to be some confusion as to the role of HFC in marketing support for our clubs. We need to generate an “IS” and “IS NOT” list of marketing support.

#### **Action:**

1. Skooglund: Carl has agreed to take the first crack at working this as well. Maybe Rebecca can offer some guidance in this area as well.

### **New Business**

#### **Monster Bash**

The BOD approved funding the Monster Bash for the amount of \$5k. The BOD thought this was previously approved. In a search of the 2003 and 2004 meeting minutes, I could not find a record of this. Christine indicated that she was unaware that the BOD had requested for club volunteer help at both the Monster Bash and the Eggstravaganza.

#### **Action:**

1. Carroll: Send a message to the club presidents asking for volunteers for this event.

#### **What’s Happening Report**

Christine indicated that the publicity for the Outdoor Club that Rebecca has provided in her “What’s Happening” report has filled 8 spots on the clubs Grand Canyon trip.

#### **Annual Club Budget Review**

The last two months of the year are slated to review the annual club budgets. We agreed to ask the clubs to have all of their budgets turned in by October 15<sup>th</sup>.

#### **Action:**

1. Blair/Carroll: Send a message to the clubs to get their annual budgets in.

### **Previous Open Items**

#### **Club Brochure**

##### **Action**

1. Cooper: To send the clubs a message asking for any changes to their information for the next printing of the Club Brochures.
2. BOD: Provide final approval of the brochure.

#### **Strider’s Club**

##### **Action:**

1. Cooper: Provide the BOD information if the race posting becomes too much of a chore.

#### **Golf Club**

##### **Action:**

1. Skooglund: Contact Mr. Roth regarding our check procedures.

#### **Operating Procedures**

**Action:**

1. BOD: Have a separate meeting to discuss our operating procedures - What needs to be changed and what needs to be added.
2. BOD: We need to ensure we capture all actions to date regarding how we handled the Spurious Freedom Club.

The meeting started at 11:34am and ended at 12:47pm. Our next board meeting will be on October 7, 2004.

Regards,  
Mike Mignardi  
Texins Association Clubs Board of Directors Secretary